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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 17, 2002

APPLICATION OF

MASSANUTTEN PUBLIC SERVICE
CORPORATION

CASE NO. PUE-2002-00571

For amendment of its certificates
of public convenience and necessity
pursuant to Va. Code § 56-265.3 D

ORDER FOR NOTICE AND COMMENT
AND/OR REQUESTS FOR HEARING

On October 24, 2002, Massanutten Public Service Corporation ("Massanutten" or the "Company") filed an application with the State Corporation Commission ("Commission") to amend its certificates of public convenience and necessity, Certificate Nos. W-252 and S-75, pursuant to § 56-265.3 D of the Code of Virginia. We will also treat this application as a request for a certificate pursuant to § 56-265.2 of the Code of Virginia.

The Company seeks to have its certificates amended to include 30 parcels of property, all of which are adjacent to the boundaries of the Company's current service area, according to Massanutten. The expected use of these properties is comparable to the development in Massanutten Village and the Newman Development, and includes single and multi-family residential units, commercial uses, and open spaces. The Company states that

the total number of potential new connections is estimated to be approximately 1,904. It is expected that these properties will be developed over the next 10 to 15 years.

The Company represents that no other utility currently provides water or sewer service to these 30 properties. Further, the Company states that the same rates for water and sewer services as contained in the tariffs on file with the Commission will apply to these new properties and no change in those rates are being sought in connection with the application. The same availability fee for single family residential lots applied in the Company's current service area will also be applied in the new areas.

Great Eastern Development Corporation ("Great Eastern"), one of the owners of the new property, has agreed to install and fund the costs of the necessary water and wastewater facilities at no cost to Massanutten. Because Great Eastern will own the facilities until they are conveyed to the Company, approval for the acquisition of these utility assets pursuant to § 56-89 of the Code of Virginia will be required. In the interest of expediency, we will proceed with this application as a request for approval to acquire utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia.

NOW THE COMMISSION, having considered the application and §§ 56-265.3 D, 56-265.2, and 56-89 of the Code of Virginia, is

of the opinion and finds that this matter should be docketed, notice should be given, and interested persons should have the opportunity to comment or request a hearing.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE-2002-00571.

(2) The Company shall make a copy of its application and exhibits available for public inspection during regular business hours at the Company's office, Massanutten Public Services, 1550 Resort Drive, Massanutten, Virginia 22840. The application is also available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m., at the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

(3) On or before January 8, 2003, the Company shall publish the following notice as display advertising in newspapers having general circulation in Rockingham County and its surrounding area. The notice to be published is prescribed as follows:

NOTICE OF THE APPLICATION OF MASSANUTTEN
PUBLIC SERVICE CORPORATION FOR AMENDMENT OF ITS
CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY
PURSUANT TO § 56-265.3 D OF THE CODE OF VIRGINIA,
FOR A NEW CERTIFICATE PURSUANT TO § 56-265.2 OF THE
CODE OF VIRGINIA, AND FOR APPROVAL OF THE
ACQUISITION OF UTILITY ASSETS PURSUANT
TO § 56-89 OF THE CODE OF VIRGINIA
CASE NO. PUE-2002-00571

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The Company represents that no other utility currently provides water or sewer service to these 30 properties. Further, the Company states that the same rates for water and sewer services as contained in the tariffs on file with the Commission will

apply to these new properties and no change in those rates are being sought in connection with the application. The same availability fee for single family residential lots applied in the Company's current service area will also be applied in the new areas.

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A copy of the application is available for public inspection during regular business hours at the Company's office, Massanutten Public Services, 1550 Resort Drive, Massanutten, Virginia 22840. The application is also available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m., at the State Corporation Commission, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

Any interested person or entity desiring to comment on the application or request a hearing may do so on or before January 22, 2003, by addressing such comments or requests to: Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. All comments and requests shall refer to Case No. PUE-2002-00571. A copy of the comments or requests for hearing must also be sent to counsel for

the Company, Donald G. Owens, Esquire,
Troutman Sanders, LLP, Bank of America
Center, 1111 East Main Street, Richmond,
Virginia 23219. Requests for hearing shall
state why a hearing is necessary and why
such issues cannot be adequately addressed
in written comments.

If no sufficient requests for hearing
are received, a formal hearing with oral
testimony may not be held, and the
Commission may make its decisions
administratively, based upon the papers
filed in this proceeding.

MASSANUTTEN PUBLIC SERVICE CORPORATION

(4) The Company shall forthwith serve a copy of this Order
on the Chair of the Board of Supervisors of any county and upon
the Mayor or Manager of any county, city, or town (or equivalent
officials in counties, towns, and cities having alternate forms
of government) lying within the Company's service area. Service
shall be made by first-class mail or delivery to the customary
place of business or residence of the person served.

(5) On or before January 22, 2003, the Company shall
provide the Commission with the proof of notice required in
Ordering Paragraphs (3) and (4).

(6) On or before January 22, 2003, any interested person
or entity desiring to comment in writing on the Company's
application may do so by directing such comments to Joel H.
Peck, Clerk, State Corporation Commission, c/o Document Control
Center, P.O. Box 2118, Richmond, Virginia 23218. A copy of the

same shall simultaneously be served on counsel for the Company, Donald G. Owens, Esquire, Troutman Sanders LLP, Bank of America Center, 1111 East Main Street, Richmond, Virginia 23219. All comments shall refer to Case No. PUE-2002-00571.

(7) On or before January 22, 2003, any interested person or entity desiring a hearing in this matter shall file a request for hearing in writing with Joel H. Peck, Clerk of the Commission, at the address set forth in Ordering Paragraph (6) above. A copy of the same shall simultaneously be served on counsel for the Company at the address set forth in Ordering Paragraph (6) above. All requests for hearing shall refer to Case No. PUE-2002-00571. Any request for hearing shall detail why such issues cannot be adequately addressed in written comments.

(8) The Commission Staff shall review the application and shall submit, on or before February 4, 2003, a report presenting their findings and recommendations.

(9) The Company shall file any response it may have to the Staff Report on or before February 14, 2003.

(10) The Company shall respond to written interrogatories or data requests within ten (10) days after the receipt of such requests. Except as so modified herein, discovery and hearing preparation procedures shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.